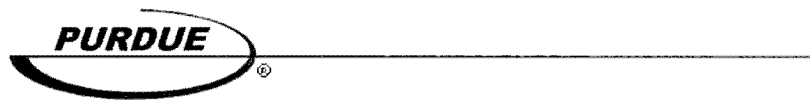


Exhibit 33

Corporate Compliance Quarterly Report to Board of Directors 3Q2011

November 2, 2011

**Bert Weinstein
Vice President, Corporate Compliance**



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Summary

- Purdue's Corporate Integrity Agreement (CIA)
- Sunshine Act and Aggregate Spend
- Butrans Speaker Program Monitoring
- Hotline Calls, Other Inquiries, Investigations



Corporate Integrity Agreement

- CIA Fourth Annual Report to the Office of Inspector General filed 9/23/11
- Contains extensive documentation and Compliance Officer certification of CIA requirements, including
 - Amendments to required policies
 - Code training and certifications
 - Content and completion of 5 hours of compliance training
 - Supplemental product training to the field force
 - Independent Review Organization (IRO) reviews and Purdue responses
 - Reportable Events (none new)
 - Reports of 215 hotline and other matters, out of 625 total matters during Fourth year
 - Details of screening for “Excluded Individuals”
 - Governmental investigations (none) and legal proceedings (none significant)
 - 8 communications with FDA concerning product alerts
 - Compliance audits



CIA IRO Reviews and Reports

Over the past eight months, Purdue's IRO performed its independent compliance audits of nine compliance-related systems and policies, and two categories of transactions specified in our CIA

Corporate Compliance reviewed drafts of each IRO Review report, discussed corrections, and agreed upon final versions of the reports for inclusion in Purdue's Annual Report to OIG filed in September.

Compliance also prepares a Management Response to the IRO's recommendations for inclusion in our Annual Report (copy attached following this report)



Huron's CIA Transactions Reviews

- Huron's two Transaction Reviews for the fourth Reporting Period this August validated databases and processes, and sampled:
 - (1) Sales force-related inquiries handled by Medical Services, and
 - (2) Promotion Monitoring Forms (Field Contact Reports) prepared by DMs to document observations of sales representative interactions with HCPs
- The Transaction Reviews resulted in 3 minor recommendations:
 - Medical Service's database had "missing" case numbers – agreed will work with vendor to create new reconciliation process
 - Medical Service's should individually document multi-part requests from HCPs as separate cases – agreed will retrain personnel on new process
 - One Field Contact Report note was unclear on post-op use of OxyContin – agreed will continue to train sales force on this and other items



Huron's CIA Systems Reviews

During CIA year 4, IRO Huron was also required to perform nine "Systems" Reviews, including reviews of policy documents and systems, and personnel interviews. These were performed from February through July, and individual draft reports were issued, reviewed, and discussed extensively with Huron. There are 16 observations and recommendations covering the nine systems:

1. Provision of Off-Label information – no observations
2. Promotional Monitoring Program – no observations
3. Sales Force Responses to Questions about Off-Label Uses
 - Should quiz reps on significant SOP changes – agreed
 - Referrals by reps to Medical Services should be recorded in call notes – done, new electronic system
4. Sales Force Use of Materials
 - DMs should attend local exhibit programs – not agreed; burdensome and diverting from other more valuable DM monitoring activities



CIA Systems Reviews (cont.)

5. Material Review

- Should amend a cross-reference in the SOP – done
- Should do further training on new Aprimo material review system – done
- Material “owners” should not delegate tasks - done

6. Funding of Non-Promotional Educational/Informational Activities

- Should “ban” Sales and Marketing personnel from Grant committee meetings – done
- Sales and Marketing personnel should not communicate results of Grant decisions – done
- “Exceptions” process undermines independence – not agreed
- SOP should have detailed “change history” – done

7. HCP Interactions of Medical Liaisons and Medical Services – no observations



CIA Systems Reviews (cont.)

8. Disciplinary Actions

- Should refer to HR discipline form in SOP – not agreed; privileged information
- Sales Discipline process should be formalized – agreed
- Sales Discipline Committee should have charter - agreed

9. Employee Compensation

- Sales rep bonuses should have a compliance component-under advisement
- Should be formal sign-off for bonus plan – done
- Certain HCP specialties should be excluded from sales rep bonus compensation – not agreed



Federal Physician Payments Sunshine Act

- As you are aware, 2010 Federal healthcare reform legislation requires pharmaceutical, biologic, and medical device manufacturers to annually report to the Department of Health and Human Services, and post on **public website**, payments and other transfers of value furnished to **Physicians and Teaching Hospitals**, including meals, gifts, consulting fees, etc.
 - **April 1, 2012** – Sample reporting for 2011 due
 - **January 1, 2012** –must start tracking transfers of value
 - **March 31, 2013** – Report due for calendar year 2012
- Six pharma companies are already required to make such information available under their CIAs. So far as can be determined, spend on HCPs by these companies has dropped ~40%, as HCPs are concerned about public reporting
- Purdue's preparations are well along and on-track to comply



Butrans Speaker Program Monitoring

- Federal Government deems speaker programs a higher risk activity in view of the potential for off-label or other improper promotional conduct
- Corporate Compliance works with Sales and Marketing and others to implement appropriate controls and limit risk – in accordance with OIG guidance
- All programs are monitored by a Purdue attendees
- Independent monitor retained by Purdue, Independent Commercial Compliance (ICC), attends a sample of such programs to evaluate and report on programs.

The following slides highlight monitoring activities by Purdue



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Monitoring Sample Sizes

	<u>Total</u> <u>Programs</u>	<u>ICC</u> <u>Monitored</u>	<u>Sample %</u>
June	22	6	27%
July	118	18	15%
August	111	10	9%
September	<u>121</u>	<u>8</u>	7%
<i>Total</i>	372	42	11%
October	116	6	5%
Proj Oct YTD	488	48	10%



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Butrans Speaker Program Issues

- ICC 3rd Party Monitoring
 - Small number of presentations delivered too rapidly, and lacked Q&A opportunity
 - Uninvited guests in attendance
- Field Force Monitoring
 - Off-Label comments by two less experienced speakers
 - Minimized QTc prolongation and abuse potential
 - Made comparative statement about Butrans and Duragesic
 - Corrective actions taken – speaker retraining and/or discontinuance;
 - Corporate compliance reviews speaker program monitoring forms
- Limited number of issues overall
- Risks under control



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Hotline and Other Inquiries 3Q2011

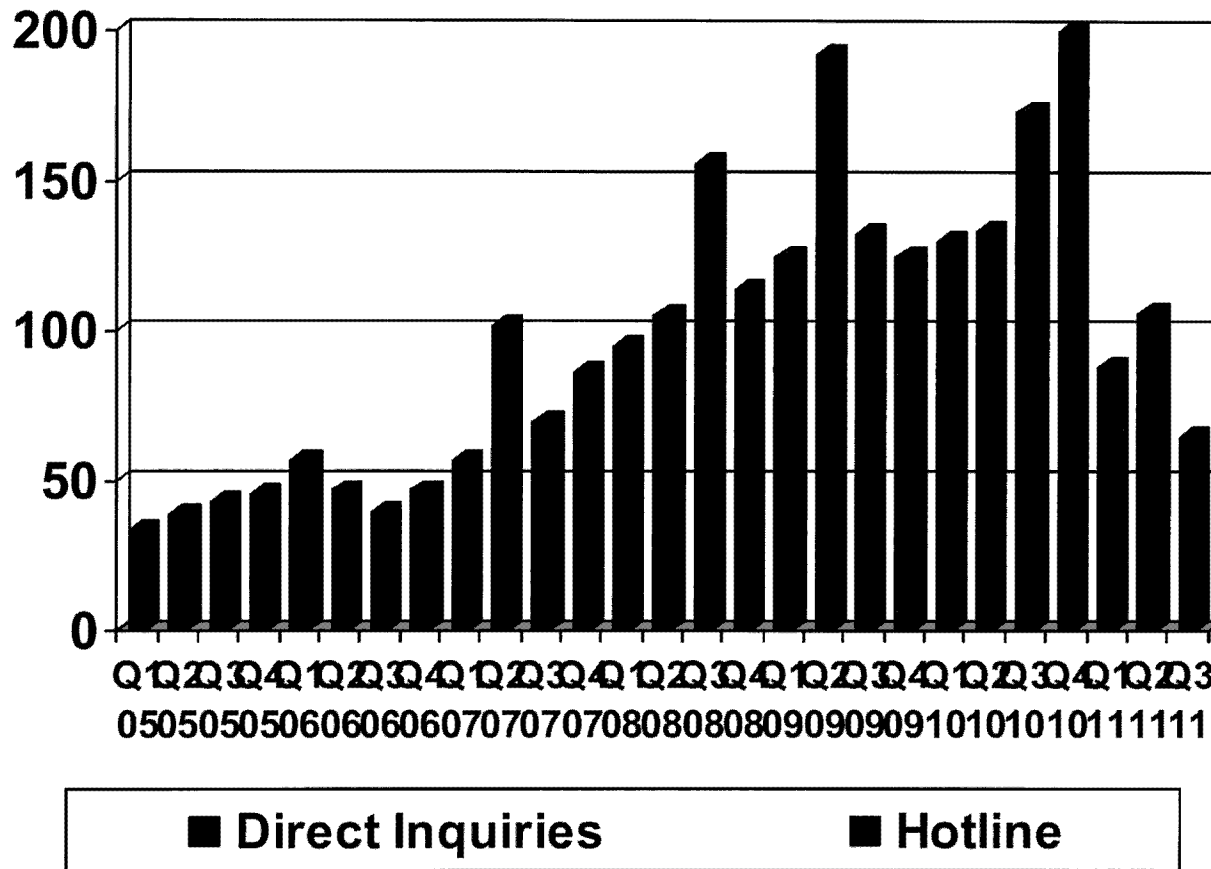
Compliance had 65 matters closed in 3Q2011

- There were a small number of open sales investigations into representative call notes concerning potential improper promotion, poorly written call notes, and violations of Sales Department SOPs.
- At weekly meeting of Sales Discipline Committee we focus on investigating issues and determining remediation and discipline
 - Current “hot topics” include comparative claims (addressed through comparative claims workshops for all field sales), and improper emails to HCPs (addressed through new Phoenix system function)
- All open matters are reviewed at monthly Reportable Events Committee meetings, and no current matters deemed to have risen to the level of CIA Reportable Events -- for the entire Fourth Reporting Period.

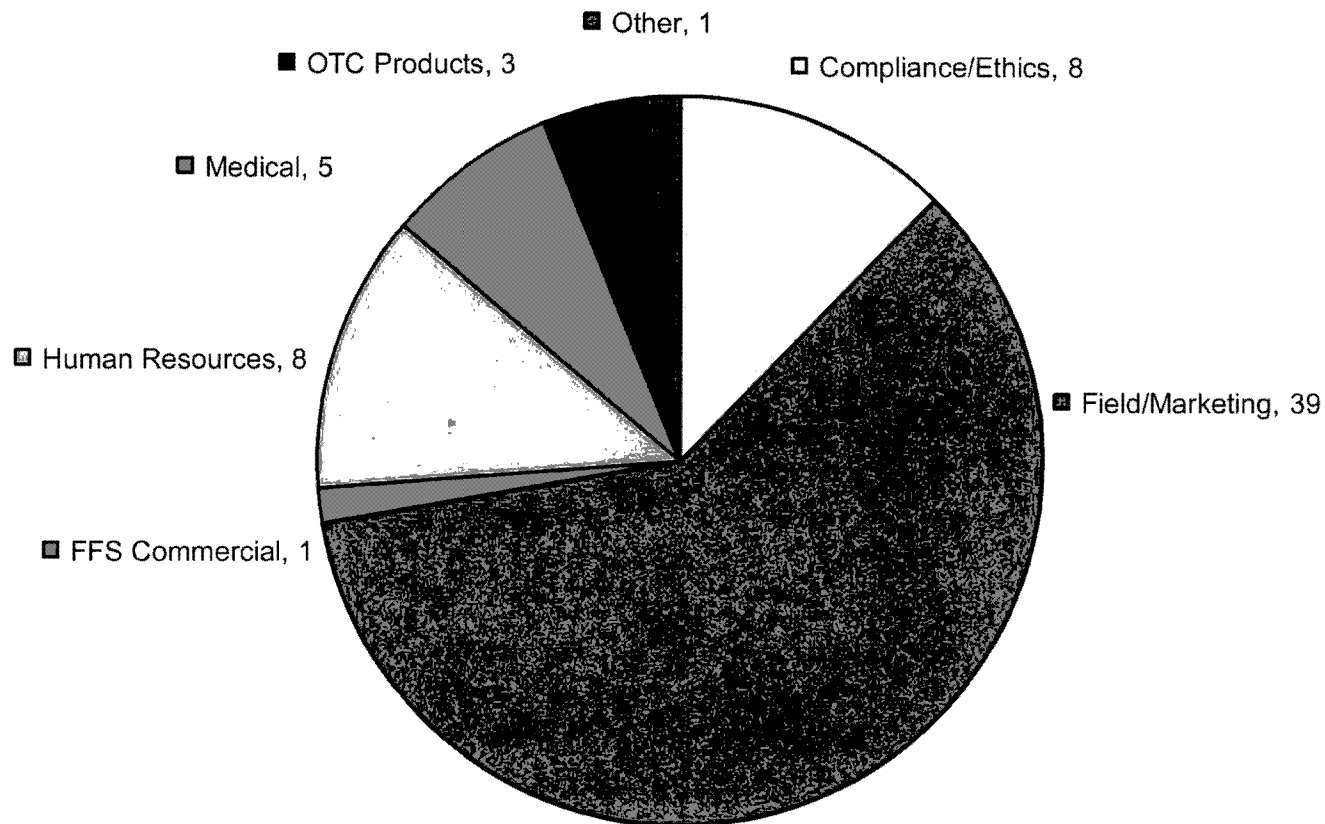
(fewer matters in recent quarters due to reduction in OxyContin inquiries and elimination of institutional policy reviews from this database)



Inquiries by Quarter (1Q05 – 3Q11)



3Q 2011 Compliance Inquiries

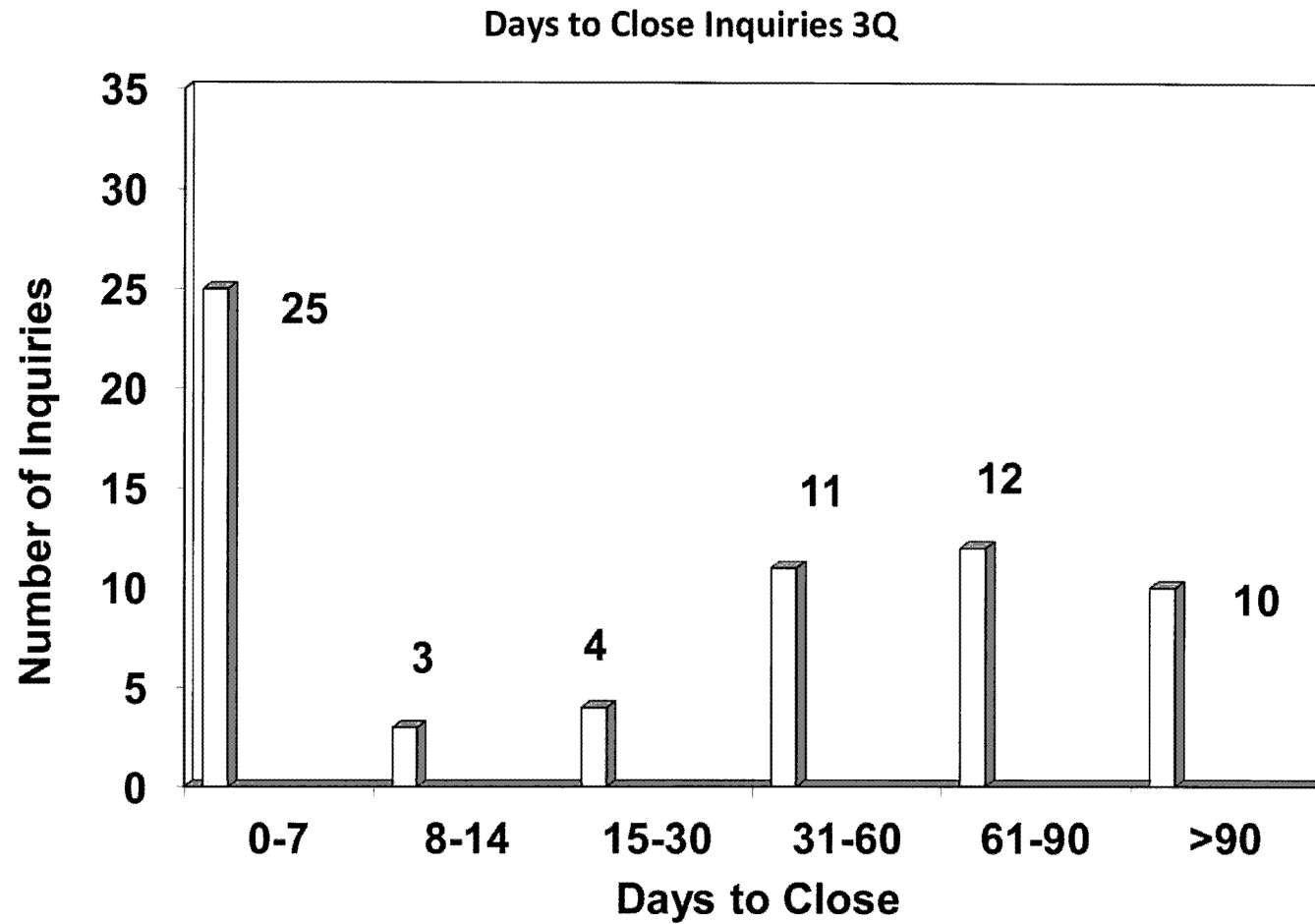


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Inquiry Response Time



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